

PROPERTY ASSESSMENT APPEAL BOARD
FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER

PAAB Docket No. 2019-077-00333R

Parcel No. 291/00400-003-252

Jeff Schachtner,

Appellant,

vs.

Polk County Board of Review,

Appellee.

Introduction

This appeal came on for hearing before the Property Assessment Appeal Board (PAAB) on August 25, 2020. Jeff Schachtner was self-represented. Assistant Polk County Attorney Jason Wittgraf represented the Board of Review.

Jeff Schachtner owns a townhome located at 1927 NW 126th Street, Clive, Iowa. The property's January 1, 2019, assessment was set at \$315,400, allocated as \$51,000 in land value and \$264,400 in building value. (Ex. A).

Schachtner petitioned the Board of Review contending the assessment was not equitable compared with the assessments of other like property. Iowa Code § 441.37(1)(a)(1) (2019). (Ex. C). The Board of Review denied the petition. (Ex. B).

Schachtner appealed to PAAB reasserting his claim.

General Principles of Assessment Law

PAAB has jurisdiction of this matter under Iowa Code sections 421.1A and 441.37A. PAAB is an agency and the provisions of the Administrative Procedure Act apply. § 17A.2(1). This appeal is a contested case. § 441.37A(1)(b). PAAB may consider any grounds under Iowa Code section 441.37(1)(a) properly raised by the

appellant following the provisions of section 441.37A(1)(b) and Iowa Admin. Code Rule 701–126.2(2-4). New or additional evidence may be introduced. *Id.* PAAB considers the record as a whole and all of the evidence regardless of who introduced it. *Id.*; *see also Hy-Vee, Inc. v. Employment Appeal Bd.*, 710 N.W.2d 1, 3 (Iowa 2005). There is no presumption that the assessed value is correct, but the taxpayer has the burden of proof. §§ 441.21(3); 441.37A(3)(a). The burden may be shifted; but even if it is not, the taxpayer may still prevail based on a preponderance of the evidence. *Id.*; *Compiano v. Bd. of Review of Polk Cnty.*, 771 N.W.2d 392, 396 (Iowa 2009) (citation omitted).

Findings of Fact

The subject property is a one-story single-family townhome built in 2007.¹ It has 1955 square feet of gross living area, 936 square feet of average-plus basement finish, two-and-a-half bathrooms, patio, fireplace, and whirlpool. The building is listed in normal condition with high-quality construction (grade 2-05). The site is 0.124 acres. (Ex. A).

On his petition to the Board of Review, Schachtner listed four properties he believes demonstrate his assessment is not equitable. The Board of Review submitted the property cost sheets for each property listed on the petition, which are summarized in the following table. (Exs. D-G).

Address	Gross Living Area (SF)	Basement Finish	Year Built	Market Adjustment	Total 2019 Assessed Value
Subject	1955	936	2007	None	\$315,400
1 – 1911 NW 126th St	1856	0	2001	10.00%	\$255,700
2 – 1908 NW 126th St	2038	0	2001	14.42%	\$254,200
3 – 1910 NW 126th St	1856	0	2001	10.18%	\$253,600
4 - 1916 NW 126th St	2038	685	2002	10.73%	\$275,200

The comparables are all one-story townhomes located near the subject and we find they are similarly situated and substantially comparable to the subject. The Assessor has assigned the subject and the comparables the same quality of construction grade (2-05), condition rating (Normal), and land value (\$51,000). The

¹ Though listed as constructed in 2007, Schachtner testified the interior and basement finish was not completed until after his purchase in 2013.

subject and comparables have generally similar bathroom counts and porch/patio areas, but the subject has the smallest garage.

Comparables 1, 3, and 4 have not recently sold. Apparently Comparable 2 sold in 2018 but the Board of Review noted it was a family sale. Schachtner was not familiar with the transaction, but agreed this would not be considered an arm's-length sale.

The Board of Review asserts the comparables have lower assessments because they are older than the subject property and lack basement finish. We note the subject's basement finish accounts for \$25,182² of its assessed value. Additionally, the subject is between 5 and 6 years newer than the comparables, and Schachtner testified it was actually not finished until 2013. We note Comparable 1 has a larger three car garage. Schachtner acknowledged these differences in the properties but does not believe they account for the differences in assessed values. He testified the subject has not sold, and no appraisal or comparative market analysis (CMA) has been completed on the subject property since he purchased it in 2013.

The Assessor applied negative market adjustments to all of the comparables. The adjustments range between 10.00% and 14.42% with a median adjustment of 10.46%. The subject receives no market adjustment.

Analysis & Conclusions of Law

Schachtner contends the subject property is inequitably assessed. § 441.37(1)(a)(1). He bears the burden of proof. § 441.21(3).

Under section 441.37(1)(a)(1), a taxpayer may claim that their "assessment is not equitable as compared with assessments of other like property in the taxing district." To prove inequity, a taxpayer may show an assessor did not apply an assessing method uniformly to similarly situated or comparable properties. *Eagle Food Centers v. Bd. of Review of the City of Davenport*, 497 N.W.2d 860, 865 (Iowa 1993).³ Schachtner offered the assessments of four properties and believes their assessed values support his

² RCN of basement finish \$33,134 (Less) 5% physical depreciation x (80%) Neighborhood Adjustment

³ Alternatively, a taxpayer may show the property is assessed higher proportionately than other like property using criteria set forth in *Maxwell v. Shivers*, 133 N.W.2d 709 (Iowa 1965). The record does not contain adequate evidence to complete the *Maxwell* test and therefore we did not conduct a *Maxwell* analysis.

claim. We find these properties are similarly situated and comparable with the subject. We recognize there are differences in basement finish and age between the comparables and subject but we do not believe these differences fully explain the variance in assessments. Rather, the record shows the comparables receive a downward market adjustment, with a median adjustment of 10.46% and the subject receives no market adjustment. Even accounting for the differences between the subject and comparables, we find the non-uniform application of the market adjustment has resulted in an inequitable assessment for the subject property. *Polk Cnty. Bd. of Review v. PAAB*, CVCV053275 (Polk Cnty. D. Ct. June 12, 2017) (upholding PAAB's modification of property's assessment based on inequity claim when it was shown comparable properties received market adjustments, but the subject did not).

Viewing the record as a whole, we conclude the record demonstrates the Assessor employed a non-uniform assessing method that resulted in the inequitable assessment of the subject property. Based on the median of the comparables' adjustments, we find a 10.5% adjustment is reasonable and appropriate to correct this inequity.

Order

PAAB HEREBY MODIFIES the Polk County Board of Review's action.

Based on the foregoing, we find the property should be valued as follows:

$\$264,351 \times 0.895 = \$236,600$ Building + \$51,000 Land = \$287,600 Total.

This Order shall be considered final agency action for the purposes of Iowa Code Chapter 17A.

Any application for reconsideration or rehearing shall be filed with PAAB within 20 days of the date of this Order and comply with the requirements of PAAB administrative rules. Such application will stay the period for filing a judicial review action.

Any judicial action challenging this Order shall be filed in the district court where the property is located within 30 days of the date of this Order and comply with the requirements of Iowa Code section 441.37B and Chapter 17A.19 (2019).

A handwritten signature in dark ink, appearing to read "D. R. Loll".

Dennis Loll, Board Member

A handwritten signature in dark ink, appearing to read "Elizabeth Goodman".

Elizabeth Goodman, Board Member

A handwritten signature in dark ink, appearing to read "Karen Oberman".

Karen Oberman, Board Member

Copies to:

Jeff Schachtner by eFile

Polk County Board of Review by eFile